

PERETORE & PERETORE, P.C.
191 Woodport Road
Sparta, New Jersey 07871
(973) 729-8991
Attorneys for Leaf Funding, Inc.

/s/ Frank Peretore, Esq.
Frank Peretore, Esq.
FP #7020

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----	X	
LEAF FUNDING, INC.,	:	Case Number: 07 CIV 10337
	:	Judge Sweet
Plaintiff,	:	
	:	ECF CASE
v.	:	
	:	
ALLIANCE ENVIRONMENTAL TECHNOLOGIES,	:	NOTICE OF SETTLEMENT
INC., JAMES SOLANO, LIGITA SOLANO	:	
ALLIANCE TECHNOLOGY GROUP, INC. and ATG	:	
EQUIPMENT, INC.,	:	
	:	
Defendants.	:	
_____	X	

SIRS:

PLEASE TAKE NOTICE that the attached ORDER AND DEFAULT JUDGMENT of which the within is a true copy will be presented for settlement to the Honorable Robert W. Sweet of the Federal Court of New York, Southern District on July 3, 2008.

Dated: Staten Island, New York

/s/ Frank Peretore, Esq.
Frank Peretore, Esq.
PERETORE & PERETORE, PC
Attorneys for Plaintiff
110 Park Street
Staten Island, New York 10306
(718) 667-8785

TO: Alliance Environmental Technologies, Inc.
490 East 132nd Street
Bronx, New York 10454

James Solano
421 North Long Beach Road
Rockville Centre, New York 11570

Ligita Solano
421 North Long Beach Road
Rockville Centre, New York 11570

Alliance Technology Group, Inc.
490 East 132nd Street
Bronx, New York 10306

ATG Equipment, Inc.
c/o Ligita Solano
421 North Long Beach Road
Rockville Centre, New York 11570

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LEAF FUNDING, INC.,	:	Case Number: 07 CIV 10337
	:	Judge Sweet
Plaintiff,	:	
	:	ECF CASE
v.	:	
	:	
ALLIANCE ENVIRONMENTAL TECHNOLOGIES,	:	ORDER AND DEFAULT
INC., JAMES SOLANO, LIGITA SOLANO	:	JUDGMENT AS AGAINST
ALLIANCE TECHNOLOGY GROUP, INC. and ATG	:	DEFENDANTS ALLIANCE
EQUIPMENT, INC.,	:	ENVIRONMENTAL
	:	TECHNOLOGIES, INC.,
Defendants.	:	ALLIANCE TECHNOLOGY
_____X	:	GROUP, INC. and ATG
	:	EQUIPMENT, INC.

This matter having come before the Court by motion of counsel for the plaintiff (“Leaf Funding”) seeking entry of default judgment pursuant to Federal Rule of Civil Procedure 55(b)(2) against the defendants for failure to answer or otherwise move in response to the Complaint which

was duly served upon them; and said defendants being in default of payment obligations to the plaintiff and the defendants; and the plaintiff having submitted an Affidavit of Amount Due and Non-Military Service and pursuant to Judge Sweet's decision, judgment is hereby entered against the corporate defendants, to wit, Alliance Environmental Technologies, Inc., Alliance Technology Group, Inc. and ATG Equipment, Inc.;

THE COURT FINDS:

1. This Court has jurisdiction of the subject matter of all counts of this action and over all the parties hereto.

2. The defendants, Alliance Environmental Technologies, Inc., Alliance Technology Group, Inc. and ATG Equipment, Inc. were duly served with the Summons and Complaint.

3. The time to respond to the Summons and Complaint has expired and the defendants failed to respond.

4. A default judgment in this action is hereby to be entered in favor of Leaf Funding, Inc. and against Alliance Environmental Technologies, Inc., Alliance Technology Group, Inc. and ATG Equipment, Inc., jointly and severally.

IT IS, THEREFORE ORDERED AND ADJUDGED, that Leaf Funding, Inc. recover from, Alliance Environmental Technologies, Inc., Alliance Technology Group, Inc. and ATG Equipment, Inc., jointly and severally, the sum of \$265,439.43 plus attorneys' fees in the amount of \$4,912.09 for a total of \$270,351.52; and it is further

ORDERED, that plaintiff shall have immediate and permanent title and possession to the

equipment (“the equipment”) subject to the transactions described in the Complaint and motion papers, which has not been returned to plaintiff, and which is described on **EXHIBIT A** hereto; and it is further

ORDERED, that the defendants Alliance Environmental Technologies, Inc., Alliance Technology Group, Inc. and ATG Equipment, Inc., shall properly maintain said equipment and return it to plaintiff or its agents within five (5) days hereof and fully cooperate in said return; and it is further

ORDERED, in the event that plaintiff takes possession of the equipment, plaintiff shall attempt to dispose of said personal property in a commercially reasonable manner in accordance with the New York Uniform Commercial Code and the net proceeds from said sale, if any, after deduction of reasonable expenses of retaking, holding, preparing for sale, selling and the like, shall be applied to reduce the amount of the Judgment herein; and it is further

ORDERED, that a copy of this Order and Judgment shall be served upon defendants within _____ days of receipt of same by plaintiff’s counsel.

SO ORDERED, this _____ day of _____, 2008.

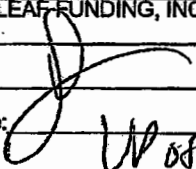
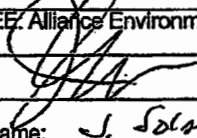
Honorable Robert Sweet, United States District Judge

EXHIBIT A

ATTACHMENT A
TO MASTER LEASE SCHEDULE NO. 1
ISSUED PURSUANT TO THAT CERTAIN MASTER LEASE
AGREEMENT DATED APRIL 11, 2006
BY AND BETWEEN
ALLIANCE ENVIRONMENTAL TECHNOLOGIES, INC. ("LESSEE") AND
LEAF FUNDING, INC. ("LESSOR")

SYSTEM DESCRIPTION:

1 - 2001 Freightliner - Mdl:ML60 w/24' Morgan body (VIN# 1FVABPAK71HH00034)
10- 2005 Cheetah Double Drop Trailers (Vin #s: 5EF2SC4075B761298, 5EF2SC4095B761299, 5EF2SC4015B761300,
5EF2SC4035B761301, 5EF2SC4005B761305, 5EF2DF4205B761186, 5EF2DF4235B761179, 5EF2DF42X5B761180,
5EF2DF4225B761187, and 5EF2DF4245B761188)

LESSOR: LEAF FUNDING, INC. By:  Print Name: <u>J. Solano</u> Title: <u>VP of Ops</u> Date: <u>4/27/06</u>	LESSEE: Alliance Environmental Technologies, Inc. By:  Print Name: <u>J. Solano</u> Title: <u>V.P.</u> Date: <u>4-14-06</u>
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SCHEDULE A TO
Restructure of Lease Agreement,
Dated November 27, 2006
BY Alliance Environmental Technologies, Inc.
("Lessee")
IN FAVOR OF LEAF FUNDING, INC.
COLLATERAL DESCRIPTION:

ATG Containers S/N#:

AWIN 6603
AWIN 6512
AWIN 6989
AWIN 6053
AWIN 6697
AWIN 6170
AWIN 6852
AWIN 6826
AWIN 7245
AWIN 6895
AWIN 6616
AWIN 6617

Collateral Location:

ATG Equipment, Inc
55 Fulkerson Drive
Waterbury, CT 06708

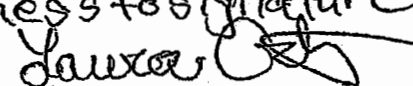
BORROWER: Alliance Environmental Technologies, Inc.

BY: 

PRINT NAME: James Soltau

TITLE: _____

DATE: 11/30/06

witness to signature


LAURA ORTIZ
Notary Public, State of New York
No. 010R5052644
Qualified in Queens County
Commission Expires Nov. 27, 2009

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]	
Phone (800) 331-3282 Fax (818) 662-4141	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)	
<input checked="" type="checkbox"/> UCC Direct Services P.O. Box 29071 Glendale, CA 91209-9071	
<input type="checkbox"/> _____ NY, Secretary of State	

IMAGE REFLECTS DATA FROM AN ELECTRONIC FILING

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME					
OR					
1b. INDIVIDUAL'S LAST NAME		FIRST NAME		MIDDLE NAME	
Solano		James		J.	
1c. MAILING ADDRESS		CITY		STATE	POSTAL CODE
421 North Long Beach Road		Rockville Center		NY	11570
1d. TAX ID #: SSN OR EIN		1e. TYPE OF ORGANIZATION		1f. JURISDICTION OF ORGANIZATION	
084-34-9804				1g. ORGANIZATIONAL ID #, if any	
				<input type="checkbox"/> NONE	

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME					
OR					
2b. INDIVIDUAL'S LAST NAME		FIRST NAME		MIDDLE NAME	
Solano		Ligita		I.	
2c. MAILING ADDRESS		CITY		STATE	POSTAL CODE
421 North Long Beach Road		Rockville Center		NY	11570
2d. TAX ID #: SSN OR EIN		2e. TYPE OF ORGANIZATION		2f. JURISDICTION OF ORGANIZATION	
049-52-2366				2g. ORGANIZATIONAL ID #, if any	
				<input type="checkbox"/> NONE	

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME					
LEAF Funding, Inc.					
OR					
3b. INDIVIDUAL'S LAST NAME		FIRST NAME		MIDDLE NAME	
3c. MAILING ADDRESS		CITY		STATE	POSTAL CODE
1818 Market St, 9th Floor		Philadelphia		PA	19103
				COUNTRY	
				US	

4. This FINANCING STATEMENT covers the following collateral:

All "equipment" and "inventory" (as such is defined in the UCC) of the Debtors now owned or possessed or hereafter acquired, whether new or used, together with any additions, accessories and accessions now or hereafter attached thereto, substitutions therefor and proceeds thereof, and including, without limitation, all proceeds of any insurance covering the equipment and inventory, all tangible and intangible personal property owned or possessed by Debtors, all cash, cash equivalents, accounts, accounts receivable, contract rights, chattel paper, customer lists, goodwill and all proceeds of same. Debtors may not dispose of any of the Collateral without the prior written consent of Secured Party, notwithstanding the fact that proceeds constitute a part of the Collateral.

5. ALTERNATIVE DESIGNATION (if applicable):		<input type="checkbox"/> LESSEE/LESSOR	<input type="checkbox"/> CONSIGNEE/CONSIGNOR	<input type="checkbox"/> BAILEE/BAILOR	<input type="checkbox"/> SELLER/BUYER	<input type="checkbox"/> AG. LIEN	<input type="checkbox"/> NON-UCC FILING
6. [This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)]		7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (OPTIONAL FEE)		<input type="checkbox"/> All Debtors		<input type="checkbox"/> Debtor 1	<input type="checkbox"/> Debtor 2
8. OPTIONAL FILER REFERENCE DATA 10040954				Philadelphia			
21356903							

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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LEAF FUNDING, INC.,	:	Judge Sweet
	:	
Plaintiff,	:	ECF CASE
	:	
v.	:	
	:	
ALLIANCE ENVIRONMENTAL TECHNOLOGIES,	:	AFFIDAVIT OF MAILING
INC., JAMES SOLANO, LIGITA SOLANO	:	
ALLIANCE TECHNOLOGY GROUP, INC. and ATG	:	
EQUIPMENT, INC.,	:	
	:	
Defendants.	:	
_____X	:	

STATE OF NEW JERSEY :
: SS.:
COUNTY OF SUSSEX :

I, Marlene Meyers, am over 18 years of age and am not a party to this action, being duly sworn according to law, SAY:

1. On June 18, 2008, I mailed a copy of the Notice of Settlement, proposed Order, and Affidavit of Mailing, to the defendants as follows:

Alliance Environmental Technologies, Inc.
490 East 132nd Street

Bronx, New York 10454

James Solano
421 North Long Beach Road
Rockville Centre, New York 11570

Ligita Solano
421 North Long Beach Road
Rockville Centre, New York 11570

Alliance Technology Group, Inc.
490 East 132nd Street
Bronx, New York 10306

ATG Equipment, Inc.
c/o Ligita Solano
421 North Long Beach Road
Rockville Centre, New York 11570

which were deposited into a United States Mail Depository located at 1 Main Street, Unionville, New York 10988.

/s/ Marlene Meyers
Marlene Meyers

Sworn to and subscribed
before me this 18th day
of June, 2008.

/s/ Erin C. Clayton
Erin C. Clayton
Notary Public of New Jersey
My Commission Expires 05/16/2011